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14 UNITED STATES DISTRICT COURT
15 NORTHERN DISTRICT OF CALIFORNIA
16 (OAKLAND DIVISION)

17 STEPHEN MORRIS and KELLY
18 McDANIEL, on behalf of
19 themselves and all others
20 similarly situated,

21 Plaintiffs,

22 vs.

23 ERNST & YOUNG LLP,

24 Defendant.

Case No. 12-CV-04964-JSW

Hearing Date: June 7, 2024

Time: 9:00 a.m.

Courtroom:5

1301 Clay Street, 2nd Flr.

Oakland, CA 94612

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1 **PLEASE TAKE NOTICE** that on Friday, June 7, 2024, at 9:00 a.m., in
 2 Courtroom 5 of the above-entitled Court, located at 1301 Clay Street, 2nd
 3 Floor, in Courtroom 5, Plaintiff STEPHEN MORRIS will and hereby does
 4 move the Court for an order vacating the Arbitration Award signed on
 5 December 31, 2023.

6 Plaintiff seeks an order vacating the Arbitration Award in favor of
 7 Defendant and against Stephen Morris dated December 31, 2023 and served
 8 upon the parties on January 2, 2024.

9 Plaintiff Stephen Morris (hereinafter “Morris” or “Plaintiff”) by his
 10 Attorneys, Folkenflik & McGerity LLP and Libenson Law, respectfully
 11 submits this Memorandum of Points and Authorities in support of Plaintiff’s
 12 Motion to vacate the Arbitration Award delivered on January 2, 2024.

13 **INTRODUCTION AND SUMMARY OF THE ARGUMENT**

14 The EY Arbitration Agreement is nine densely typed pages. It imposes
 15 a ***mandatory multi-phased process*** that adds to the cost employee must pay
 16 as well as delaying the outcome. Phase I requires mediation. This was
 17 conducted on July 18, 2022. Phase II is arbitration. A copy of the EY
 18 Arbitration Agreement is annexed to the Declaration of Max Folkenflik
 19 submitted herewith as Exhibit A. In compliance with this Court’s Order,
 20 Plaintiff commenced an Arbitration on July 22, 2022. The Arbitrator
 21 rendered a Decision that was served on the parties on January 2, 2024. A
 22 copy of the Arbitration Award (hereinafter the “Order”) is annexed to the
 23 Declaration of Max Folkenflik submitted herewith as Exhibit B.

24 While the burden on a party seeking to vacate an arbitration award is
 25 high, “[v]acatur under § 10(a)(4) is warranted when an arbitration award
 26 exhibits a manifest disregard of law or is completely irrational.” *HayDay*
 27 *Farms, Inc. v. FeeDx Holdings, Inc.*, 55 F.4th 1232, 1240 (9th Cir. 2022).
 28

1 However, the law of this Circuit and the Supreme Court put flesh on the
 2 bones of that general statement. First, the award must “draw[] its essence”
 3 from the arbitration agreement. “To determine whether the standard has
 4 been satisfied, this court simply asks: Is the arbitrator's interpretation of
 5 the contract plausible?” *Federated Empls. of Nevada, Inc. v. Teamsters*
 6 *Local No. 631*, 600 F.2d 1263, 1264-1265 (9th Cir 1979), *quoting Aloha*
 7 *Motors, Inc. v. I. L. W. U. Local 142*, 530 F.2d 848 (CA9 1976).

8 In particular, as this Circuit has recognized time and again,
 9 “[a]rbitrators act beyond their authority if they fail to adhere to a valid,
 10 enforceable choice of law clause agreed upon by the parties.” *Coutee v.*
 11 *Barrington Capital Group, L.P.*, 336 F.3d 1128, 1134 (9th Cir 2003); *Barnes v.*
 12 *Logan*, 122 F.3d 820, 823 (9th Cir. 1997). Here, the Arbitrator reached the
 13 “completely irrational” conclusion that because the Federal Arbitration Act
 14 applied to this Arbitration generally, the choice of law provision in Section
 15 V.G, at page 4 of the EY Arbitration Agreement could be ignored. On that
 16 ground alone, binding precedent requires vacatur.

17 As a second and independently sufficient ground for vacatur, the
 18 Arbitrator ignored the express terms of the Arbitration Agreement that
 19 ***required*** Phase I mediation to precede arbitration. Morris gave notice to EY
 20 that mediation was required. The parties went to mediation on July 18,
 21 2022 and commenced arbitration within days after mediation failed to reach
 22 a resolution. It is “completely irrational” to conclude that the statute of
 23 limitations could expire prior to the conclusion of the mediation ***required*** by
 24 the Arbitration Agreement.

25 Further, the remedy for a party, if the other party goes to court in
 26 violation of the agreement, is to either a) commence arbitration or b) to ***seek***
 27 ***an order requiring the party who filed the lawsuit to satisfy the***
 28 ***requirements of the Program.*** The “requirements of the Program” included

1 the requirement to conduct a Phase I mediation. Under the Arbitration
 2 Agreement, the Court could only order the Plaintiff to arbitrate after the
 3 mediation had concluded.

4 In yet another independently sufficient ground for vacatur, the
 5 Arbitrator recognized and failed to apply the holding of *Stolt-Nielsen S.A. v.*
 6 *AnimalFeeds Intl. Corp.* 559 U.S. 662, 682-83 (2010) that the EY Arbitration
 7 Agreement “must be read ‘to give effect to the contractual rights and
 8 expectations of the parties’ based on ‘the parties intentions....’” Order at 6.
 9 The Arbitrator’s conclusion that the “plain language” of § IV.J. of the
 10 Agreement stating that “the Arbitrator will apply the substantive law...that
 11 would be applied by a court in the venue of the arbitration...*unambiguously*
 12 *include[ed]* statutes of limitation.” (emphasis added). Order at 6 requires
 13 vacatur for three reasons.

14 First, the Arbitrator ignored the rule of *ejusdem generis* “where
 15 specific words follow general words in a contract, ‘the general words are
 16 construed to embrace only things similar in nature to those enumerated by
 17 the specific words.’” *Indian Harbor Ins. Co. v Group SHS, LLC*, 2022 U.S.
 18 App. LEXIS 33311, at *3 (9th Cir. Dec. 2, 2022). Second, the meaning of the
 19 phrase is at best ambiguous with respect to the unmentioned issue of the
 20 statute of limitations, as numerous cases have found. *See infra.* at 14.
 21 Third, the clause was drafted by Defendant. The Arbitrator manifestly
 22 disregarded the law that, under the rule of *contra preferendum*, any
 23 ambiguity must be construed against EY.

24 In concluding that the language of § IV.J. unambiguously revealed
 25 Morris’ agreement to apply California law instead of New York law, as
 26 required by the choice of law section of the Agreement, the Arbitrator acted
 27 in manifest disregard of the Supreme Court holding in *Stolt-Nielsen*.

1 Finally, the Arbitrator ignored the effect of the proceedings and
2 rulings of this Court in either rejecting EY's requests for a ruling on the
3 statute of limitations thereby resulting in law of the case, or alternatively,
4 in tolling the running of the statute of limitations during the course of the
5 proceedings.

6 The Arbitrator's ruling is not grounded in the terms of the Arbitration
7 Agreement, but instead represents the Arbitrator's personal view of the
8 proper role of limitations on the rights of parties to initiate arbitration. For
9 any of the above errors, each one of which is a sufficient ground for vacatur,
10 the Arbitration Award must be vacated. A further arbitration on the merits
11 of Plaintiff's claim should be ordered.

12 THE FACTS

13 Stephen Morris commenced this action against Ernst & Young seeking
14 overtime payments that he alleged were required to be paid under the terms
15 of Section 7(a)(1) of the FLSA. 29 § 207(a)(1). Morris sought to proceed as a
16 collective action under Section 16(b) of that statute. 29 U.S.C. § 216(b). He
17 also sought relief under California Labor Code Section 1194, which has its
18 own overtime payment requirements, and other related relief under state
19 law. With respect to the state law claims, Morris sought to proceed under
20 Rule 23 of the Federal Rules of Civil Procedure. After extensive litigation
21 before this Court, the Ninth Circuit, and the Supreme Court, it was
22 ultimately determined that Morris could not proceed on a class or collective
23 basis. During the course of the appellate proceedings, this Court imposed a
24 stay of proceedings, that was not lifted when the mandate of the Ninth
25 Circuit remanded the case to this Court.

26 Subsequent to the decision by the United States Supreme Court
27 holding that Morris's objections to arbitration would not prevail, EY
28

repeatedly asked this Court to lift the stay and dismiss Morris’s action. *See*, Status Report dated July 11, 2018 Exhibit A to EY’s Request for Judicial Notice, at p. 2, Status Report dated January 10, 2020, Exhibit B to EY’s Request for Judicial Notice, at p.3, Status Report dated May 16, 2022, Exhibit C to EY’s Request for Judicial Notice, at p 2. Finally, the District Court entered an order requiring Morris “to initiate arbitration” by July 22, Exhibit D to EY’s request for Judicial Notice, which was done. EY’s Request for Judicial Notice is annexed to the Declaration of Max Folkenflik submitted herewith as Exhibit C.

Prior to the July 22, 2022 Order, consistent with the E&Y Common Ground Dispute Resolution Program (the “Arbitration Agreement”), Exhibit E to EY Request for Judicial Notice, the parties participated in the pre-arbitration demand Mediation on July 18, 2022. That mediation is proscribed as being required before demanding arbitration in the Arbitration Agreement and denominated as the Phase I proceeding. *See id.* Exhibit E to EY Request for Judicial Notice § III. The initiation of arbitration on July 22, 2022, was timely under the terms of the Phase I procedure.

A. THE ARBITRATION AGREEMENT

The EY Arbitration Agreement is nine densely typed pages. It imposes a ***mandatory multi-phased process*** which adds to the cost that the employee must pay as well as delay in the outcome. Phase I requires mediation. EY Arbitration Agreement, §§ III and III.G, RJN Ex. E, p. 16. Phase II is arbitration, either before the International Institution for Conflict Prevention and Resolution (“CPR”), American Arbitration Association, or JAMS. § IV and IV.C, *Id.*, p. 17. The chosen provider must agree to comply by the terms of the EY Arbitration Agreement. § IV.G.4, *Id.*, p.18. If there is any conflict between the provider’s arbitration rules and terms of the EY

1 Arbitration Agreement, the EY Arbitration Agreement “will take
2 precedence.” § IV.D. *Id.*, p.17.

3 The Arbitration Agreement at § II B states, “[b]oth the Firm and the
4 Employee give up any right to resolve any Covered Dispute through any
5 other means. Neither the Firm nor an Employee will be able to sue in court
6 in connection with a Covered Dispute.

7 Section III. C., the Arbitration Agreement provides, “[i]nitiation. A
8 party may start Phase I by giving the other party notice in writing. If
9 contemplated by the mediation procedures of the Provider, the Firm will
10 contact the Provider on behalf of the parties.”

11 The Arbitration Agreement provides in § IV B., “*Phase I Default*. If a
12 party files a lawsuit relating to a Covered Dispute in court in violation of the
13 terms of the Program, the other party may choose to proceed directly to
14 Phase II *or to seek an order requiring the party who filed the lawsuit to*
15 *satisfy the requirements of the Program.*” (emphasis added).

16 The EY Arbitration Agreement contains two provisions regarding the
17 law to be applied by the Arbitrator. Section V.G, p. 4. entitled “Choice of
18 Law Governing Program,” provides that “The Program, these procedures,
19 and any arbitration award that may result from them shall be governed by
20 the Federal Arbitration Act and, to the extent, if any, that such Act is held
21 not to apply, to the state law, including judicial interpretations, applicable in
22 the State of New York, provided that principles of conflicts of laws shall not
23 be applied.”

24 Section IV.J of the EY Arbitration Agreement refers to the
25 “substantive law” applicable in the hearing or other proceedings and
26 provides that “the Arbitrator will apply the substantive law, including
27 burdens of proof, that would be applied by a court in the venue of the
28 arbitration.”

B. THE ARBITRATION AWARD

The Arbitrator began her decision by noting that there was a dispute regarding the choice of law to apply. The arbitrator noted that Morris asserted that under the express choice of law provision of EY Arbitration Agreement §V.G, New York law applied. While EY asserted that California law should apply under section IV.J of the EY Arbitration Agreement.

In addressing the question of choice of law, the Arbitrator did not address the issue of the statute of limitations specifically, a threshold matter not addressed in the Arbitration Agreement itself. Rather the Arbitrator addressed the issue of choice of law generally, and without regard to the application of choice of law to the specific statute of limitations issue being rule upon. The Arbitrator then decided she was free to completely ignore the Section V.G, p. 4. G. headed **Choice of Law**, because that provision only applies “to the extent, if any, that [the Federal Arbitration] Act is held not to apply.” Order at 3-4. The Arbitrator held:

No court has found the Federal Arbitration Act inapplicable to this arbitration.

Indeed, to the contrary, the U.S. Supreme Court applied the FAA to the Common Ground program. (*See Epic Sys. Corp. v. Lewis*. (2018) 138 S.Ct. 1612.) Section V.G of the Common Ground program, therefore, does not apply.

Order at 4.

The Arbitrator then held that the issue of the statute of limitations was governed by Section IV.J of the of the EY Arbitration Agreement, because “Statutes of limitations are considered part of the substantive law of a state. (*See Albano v. Shea Homes Ltd. Partnership* (9th Cir. 2011) 634 F.3d 524, 530.)” Order at 4. The Arbitrator conceded that under *Stolt-Nielsen S.A. v. AnimalFeeds Intl. Corp.* 559 U.S. 662, 682-83 (2010) the EY

1 Arbitration Agreement “must be read ‘to give effect to the contractual rights
2 and expectations of the parties’ based on “the parties intentions,”” but then
3 held that the “plain language” of the Agreement that stated “the Arbitrator
4 will apply the substantive law . . . that would be applied by a court in the
5 venue of the arbitration” covered the issue of the statute of limitations
6 holding: “There is no limitation placed on the type of substantive law to
7 which this provision applies. Thus, the provision is broad in scope,
8 *unambiguously including* statutes of limitation.” (emphasis added). Order
9 at 6.

10 The Arbitrator noted that “the phrase in section IV.J specifically lists
11 “burdens of proof,” and statutes of limitation are not also listed.” But held
12 that ““burdens of proof” is merely an example of substantive law that the
13 parties intended to be ‘includ[ed].’ Nothing in this provision indicates that
14 the inclusion of “burdens of proof” was intended to exclude the application of
15 any other substantive law to Covered Disputes, such as statutes of
16 limitation.” Order at 6-7. The Arbitrator then held that in her view not
17 having a statute of limitations on the commencement of an arbitration
18 would be an “absurd outcome that cannot stand.” *Id.*

19 The Arbitrator also ruled that the pendency of proceedings before the
20 District Court up until the date the Court ordered Arbitration to be
21 commenced “had no bearing on the statute of limitations issues.” *Id.* at 7.
22 Despite the mandatory mediation procedures in “Phase I” of the Arbitration
23 Agreement the Arbitrator ruled that “nothing in the Common Ground
24 mediation procedures suggests that engaging, or not engaging, in mediation
25 would have any impact on the statute of limitations.” *Id.*

26 The Arbitrator also dismissed Morris’ argument that he alone could
27 not be penalized for failing to commence the arbitration sooner since EY had
28 the right to commence the Arbitration itself. The Arbitrator held:

The Common Ground program only gives EY the right, but not the obligation, to initiate arbitration, however. (*See* Common Ground program, §IV.A [“If a Covered Dispute is not resolved in Phase I, *either party may choose* to proceed to binding arbitration.”] [emphasis added].) Morris’s argument is therefore unpersuasive.

Id. at 8.

Finally the Arbitrator held that the Court’s failure to hold that the statute of limitations had passed in response to repeated requests by EY for that relief did not amount to “law of the case,” the Court order requiring initiation of arbitration by July 22, 2022 (a date Morris met) is “irrelevant to the undersigned’s inquiry.” *Id.* at 8-9.

ARGUMENT

POINT I

THE AWARD MUST BE VACATED BECAUSE THE ARBITRATOR FAILED TO APPLY THE CONTRACTUAL CHOICE OF LAW.

Section V.G. of the EY Arbitration agreement is headed “**Choice of Law.**” It applies “to the extent, if any, that [the Federal Arbitration] Act is held not to apply.”

Base on that language, the Arbitrator held: [T]he U.S. Supreme Court applied the FAA to the Common Ground program. (*See Epic Sys. Corp. v. Lewis*. (2018) 138 S.Ct. 1612.) Section V.G of the Common Ground program, therefore, does not apply.” Order at 4.

That holding is completely irrational. There are many legal aspects of an arbitration proceeding that are not covered by the FAA, including, but not limited to, the law with respect to the claims and defenses of the parties. Were the “Choice of Law” provisions of § V.G. the only provision in the EY Arbitration Agreement it would undoubtedly apply and govern all of the claims and defenses asserted in the arbitration. The EY Arbitration

Agreement does have a “carve out” for “substantive law, including burdens of proof, that would be applied by a court in the venue of the arbitration.” EY Arbitration Agreement § IV. J. But any law applicable to the arbitration proceeding not covered by that “carve out” is governed by New York law as required by § V.G.

Under binding Ninth Circuit precedent the wording of § IV.J referring to “substantive law including burdens of proof” would not include the statute of limitations. “Under the principle of ejusdem generis, ‘where specific words follow general words in a contract, the general words are construed to embrace only things similar in nature to those enumerated by the specific words.’” *Indian Harbor Ins. Co. v Group SHS, LLC*, 2022 U.S. App. LEXIS 33311, at *3 (9th Cir Dec. 2, 2022), *quoting*, *Nygard, Inc. v. Uusi-Kerttula*, 159 Cal. App. 4th 1027, 72 Cal. Rptr. 3d 210, 223 (Ct. App. 2008), *quoting* *Cal. Farm Bureau Fed’n v. Cal. Wildlife Conservation Bd.*, 143 Cal. App. 4th 173, 49 Cal. Rptr. 3d 169, 181 (Ct. App. 2006).

There can be no serious question that the law regarding the statute of limitations is not “similar in nature” to burdens of proof. Even if one could make such an argument, the Arbitrator should have considered that issue and balanced the requirements of Section V.G. against Section IV. J. and determined the parties’ intent with respect to the law governing the statute of limitations. Instead of performing the required analysis, the Arbitrator simply ignored the “Choice of Law” Section. That was an error that requires vacatur.

As mentioned above, under binding Ninth Circuit precedent, “Arbitrators act beyond their authority if they fail to adhere to a valid, enforceable choice of law clause agreed upon by the parties.” *Coutee v. Barington Capital Group, L.P.*, 336 F.3d 1128, 1134 (9th Cir. 2003); *Barnes v. Logan*, 122 F.3d 820, 823 (9th Cir. 1997). A similar issue arose in *Stolt-*

Nielson where “[t]he District Court vacated the award, concluding that the arbitrators’ decision was made in “manifest disregard” of the law insofar as the arbitrators failed to conduct a choice-of-law analysis.” The Second Circuit reversed, but the Supreme Court agreed with the District Court’s analysis and vacated the Arbitration Award. *Stolt-Nielsen S. A. v AnimalFeeds Intl. Corp.*, 559 U.S. 662, 669 (2010).

While we believe in light of the rule of ejusdem generis this Court could conclude that the law governing the statute of limitations is not covered by Section IV. J. of the Agreement, absent that determination it is for the Arbitrator, and not the Court, to conduct the choice-of-law analysis considering *both* Section IV.J. and V.G. and weighing one section against the other. Accordingly, for that reason alone the Arbitration Award must be vacated.

POINT II

THE ARBITRATOR IGNORED THE EXPRESS TERMS OF THE ARBITRATION AGREEMENT THAT *REQUIRED* PHASE I MEDIATION TO PRECEDE ARBITRATION.

Section III of the EY Arbitration Agreement provides, “[i]f a Covered Dispute arises, *the parties will try to resolve the Covered Dispute through mediation....* A party may start Phase I by giving the other party notice in writing.” The Arbitrator recognizes that Morris and EY held a mediation on July 18, 2022, but concluded that “nothing in the Common Ground mediation procedures suggests that engaging, or not engaging, in mediation would have any impact on the statute of limitations.” Order at 7. Actually, the express term of Section III makes mediation a mandatory predicate to the commencement of an Arbitration. That fact is buttressed by the fact that § IV B., “*Phase I Default*. If a party files a lawsuit relating to a Covered Dispute in court in violation of the terms of the

Program, the other party may choose to proceed directly to Phase II *or to seek an order requiring the party who filed the lawsuit to satisfy the requirements of the Program.*” (emphasis added). Since it is an alternative to “proceeding directly to Phase II [Arbitration]” requiring the party to “satisfy the requirements of the Program” can only mean requiring *first* mediation *and then* Phase II Arbitration.

An arbitration award is “completely irrational” if it “fails to draw its essence from the agreement.” *Comedy Club, Inc. v. Improv West Assocs.*, 553 F.3d 1277, 1288 (9th Cir. 2009), *quoting Hoffman v. Cargill Inc.*, 236 F.3d 458, 461-62 (8th Cir. 2001). The Arbitrator’s conclusion that the parties had not agreed that mediation was a contractual pre-condition to commencement of Arbitration failed to “draw its essence from the agreement” and was therefore “completely irrational” and requires vacatur.

POINT III

THE ARBITRATOR MANIFESTLY DISREGARDED THE HOLDING OF *STOLT-NIELSEN* REQUIRING THE ARBITRATOR TO GIVE EFFECT TO THE INTENTION OF THE PARTIES TO THE AGREEMENT.

As noted above, the Arbitrator recognized but failed to apply the holding of *Stolt-Nielsen S.A. v. AnimalFeeds Intl. Corp.* 559 U.S. 662, 682-83 (2010) that the EY Arbitration Agreement “must be read ‘to give effect to the contractual rights and expectations of the parties’ based on ‘the parties intentions....’” Order at p. 6. The Arbitrator’s conclusion that the “plain language” of § IV.J. of the Agreement that stating that “the Arbitrator will apply the substantive law...that would be applied by a court in the venue of the arbitration...*unambiguously include[ed]* statutes of limitation.” (emphasis added). *Id.* This conclusion requires vacatur for three reasons.

1 First, as noted above, the Arbitrator ignored the rule of *ejusdem*
 2 *generis* “where specific words follow general words in a contract, ‘the general
 3 words are construed to embrace only things similar in nature to those
 4 enumerated by the specific words.’” *Indian Harbor Ins. Co. v Group SHS,*
 5 *LLC*, 2022 U.S. App. LEXIS 33311, at *3 (9th Cir. Dec. 2, 2022). For that
 6 reason alone, Section IV.J., is at a minimum ambiguous.

7 Further, the meaning of the term “substantive” is at best ambiguous
 8 with respect to the unmentioned issue of the statute of limitations, as
 9 numerous cases have found. *See, e.g. Sun Oil Co. v. Wortman*, 486 U.S. 717,
 10 736 (1988) (Brennan, concurring) (“Statutes of limitations, however, defy
 11 characterization as either purely procedural or purely substantive.);
 12 *Hambrecht & Quist Venture Partners v. Am. Med. Internat., Inc.*, 38 Cal
 13 App 4th 1532, 1542, n 7, 46 Cal Rptr 2d 33, 39 (1995) (“At least with respect
 14 to statute of limitations issues, the substance-procedure terminology is
 15 problematic because those labels are difficult to apply as mutually exclusive
 16 categories. (See Rest.2d Conf. of Laws, § 122, com. b, p. 352 [discussing
 17 problems in classifying matters as either ‘procedural’ or ‘substantive.’])”)

18 Indeed, the EY Arbitration Agreement was drafted exclusively by EY.
 19 The Arbitrator manifestly disregarded the law that under the rule of *contra*
 20 *preferendum*, any ambiguity must be construed against EY.

21 Particularly here, where there are two conflicting choice of law
 22 provisions, to say that simply the use of the word “substantive law”
 23 unambiguously revealed *Morris’ intent* to have the California statute of
 24 limitations apply is not grounded on the language of the Agreement and
 25 finds no basis in law or logic.

26 For all of these reasons, the Arbitrator’s decision manifestly
 27 disregarded the mandate of *Stolt-Nielson* “to give effect to the contractual
 28 rights and expectations of the parties’ based on the parties intentions....”

POINT IV

**THE ARBITRATOR MANIFESTLY DISREGARDED THE PRIOR
RULINGS BY THIS COURT AND TOLLING OF THE STATUTE
THAT RESULTED FROM ONGOING PROCEEDINGS BEFORE THE
COURT.**

The order of this Court dated August 24, 2017, stayed all action in the District Court Action between Morris and EY. Subsequent to the decision by the United States Supreme Court holding that Morris's objections to arbitration would not prevail, EY repeatedly asked this Court to lift the stay and dismiss Morris's action. *See*, Status Report dated July 11, 2018, Exhibit A to EY's Request for Judicial Notice, at p. 2, Status Report dated January 10, 2020, Exhibit B to EY's Request for Judicial Notice, at p.3, Status Report dated May 16, 2022, Exhibit C to EY's Request for Judicial Notice, at p 2. Finally, the District Court entered an order requiring Morris "to initiate arbitration" by July 22, 2022. Exhibit D to EY's request for Judicial Notice. On July 22, 2022, Morris "initiated" arbitration, but only after complying with required Phase I to participate in a mediation.

The Arbitrator held that this Court's decisions were not "law of the case" because "EY never made a motion to dismiss based on statute of limitations grounds before the District Court...[and] the District Court did not have jurisdiction to rule on statute of limitations questions" Order at 8. We respectfully submit that the Arbitrator took too narrow a view of this Court's orders. But whether considered law of the case or not, as the Court is well aware, the filing of and pendency of an action in Court tolls the statute of limitations with regard to the claims asserted. The Arbitrator provided no reason to believe that the statute of limitations continued to run with respect to the commencement of arbitration while the statute was tolled in the District Court.

1 For this separate and independently sufficient reason, the Arbitration
 2 Award is not based on a “plausible” reading of the Arbitration Agreement
 3 and must be vacated.

4 CONCLUSION

5 As set forth above, there are numerous separate and independently
 6 sufficient reasons why as a matter of law, the Arbitration Award must be
 7 vacated. It is clear that instead of applying the terms of the Arbitration
 8 Agreement, the Arbitrator had her own view of the just requirement of when
 9 an arbitration must be commenced. Instead of interpreting the Agreement
 10 of the parties, the Arbitrator when went out of her way to ignore terms that
 11 were included and to insert terms the parties had never agreed to. While
 12 arbitrators have latitude in interpreting an arbitration agreement, their
 13 powers are strictly limited to the agreement “as written.” They may not
 14 stray from the agreement based on personal predilections about what the
 15 agreement should have provided.

16 For all of these reasons, Morris respectfully requests that the
 17 Arbitration Award be vacated.

18
 19 Dated: New York, New York
 20 April 2, 2024

21 Respectfully submitted,

22
 23 /s Max Folkenflik
 24 Max Folkenflik
 25 Folkenflik & McGerity LLP

26 /s Ross Libenson
 27 Ross Libenson (SBN 181912)
 28 Libenson Law
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